

COMMUNITY PLANNING
LAND DEVELOPMENT AND DESIGN
LANDSCAPE ARCHITECTURE

PRINCIPALS:
Joseph H. Burgis PP, AICP
Edward Snieckus, Jr. PP, LLA, ASLA

B U R G I S
A S S O C I A T E S , I N C .

MEMORANDUM

To: Township Council Parsippany Troy Hills
From: Edward Snieckus Jr., PP, LA, ASLA & Donna Holmqvist PP, AICP
Subject: RCR Overlay Rezoning; Fiscal Impact Analysis
Date: September 5, 2013
BA#: 2647.36

INTRODUCTION

The Township Council has requested that Burgis Associates prepare a fiscal impact analysis of the RD Realty rezoning request which seeks to amend the POD zoning of their 26.73 acre lot on westbound Route 46 between Waterview Blvd and Intervale Road. Their proposal calls for an overlay zone which would enable the site to be developed with 60 townhouse dwellings and 190,000 square feet of retail floor space. The site is identified as Block 421 Lot 29 on municipal tax records.

The following analysis examines indices such as population increases resulting from the proposed development, anticipated number of employment opportunities generated from the proposed non-residential development, and offers projections regarding the prospective number of children residing on-site with an emphasis on the anticipated number of school age children including public school attendees. Additionally, this report highlights the projected assessed value of development, taxes to be generated from the development, impacts on the municipal budget, and costs associated with providing municipal and educational services. A determination of the residents anticipated retail trade expenditures is also forecast.

The analysis is based upon two methodological approaches. One methodology is a per capita analysis of municipal costs versus revenues, which is a method developed by Rutgers University Center for Urban Policy Research (CUPR). This is the principal methodological approach utilized in the industry to evaluate municipal costs associated with proposed development projects. It is acknowledged, however, that this methodology has limitations which result in overestimating certain municipal costs, since each component of a municipal budget is not directly affected by population increases to the extent suggested by this method. Therefore, this report also utilizes an additional methodology, which assesses those budgetary categories that are not as readily affected by changes in population size.

Within this framework, we note the following:

1. The analysis finds that the proposed 60 townhouses (per the proposed RCR overlay ordinance) will increase the current township population of 53,709 people by slightly less than one percent. These 60 townhouse units will add approximately 142 residents to the local population. The data also suggests that these residents include approximately twenty children, of which twelve would be of school-age, and of these twelve, ten would attend the public school system.
2. Pertinent findings with respect to the municipal cost/revenue analysis indicates:
 - a. The per capita methodology reveals that the proposed development will have an estimated equalized assessed value of \$44.1 million. This is based upon an average value of \$400,000 for the townhouses and an average value of \$17.50 per square foot for the retail floor space, with per square foot values ranging from \$15 to \$20 per square foot according to estimates of the township tax assessor.
 - b. With respect to a municipal cost/revenue assessment, the imposition of the municipal tax rate on the projected \$44.1 million value of the project reveals the development will result in an annual net revenue surplus of \$142,000 for the municipality, based upon municipal tax revenues of \$279,100 versus costs of approximately \$137,100. However, the imposition of the alternative methodological analysis suggests that costs will likely be lower, thereby increasing the surplus that may result. The imposition of the alternative methodology suggests the surplus is likely to be approximately twenty percent higher than that reflected by the per capita methodology.
 - c. Under the per capita methodology, the fire district is expected to generate annual revenues of \$7,949 whereas annual costs will be \$2,451. This represents a net annual surplus of \$5,500. The alternative methodology suggests a similar conclusion.
3. With respect to the local school system, under the per capita methodology, projected development will generate revenues of \$723,400 versus costs of \$130,300, resulting in an annual surplus of \$593,100. Under the alternative methodology, an annual net revenue surplus is expected to approximate \$698,400, based upon revenues of \$723,400 and costs of \$25,000. This reduced cost is a function of anticipated distribution of public school attendees through the K-12 school system. It is projected that two-thirds or seven children will be in the elementary and middle school grades and the remaining three in the high school. Thus this will not likely result in a significant impact to anyone grade.
4. The above noted data indicates that, in total, both the per capita methodology and the alternative methodological approach as detailed herein results in an annual net revenue surplus to the municipality and local school system. This is detailed as follows:

CATEGORY	REVENUE	PER CAPITA METHODOLOGY		ALTERNATIVE METHODOLOGY	
		COST	NET SURPLUS	COST	NET SURPLUS
MUNICIPAL*	\$279,100	\$137,100	\$142,000	\$96,300	\$182,800
SCHOOL	\$723,400	\$130,300	\$593,100	\$25,000	\$698,400
TOTAL	\$1,002,500	\$267,400	\$735,100	\$121,300	\$881,200

*Municipal includes municipal, local open space, library and fire district.

5. In addition to the costs and revenues noted above, this study examined the project’s impact on a number of other factors. For example:
 - a. The analysis suggests that, based upon average household retail trade expenditures, the project’s residents will expend approximately \$1.47 million annually on local goods and services. While we cannot project with any certainty how much of this revenue will be expended locally, it is likely that a significant portion of this total will provide a boost to the local economy.
 - b. The proposed non-residential development will result in minimally 285 new jobs.
 - c. The project will also generate approximately \$1.4 million in development fees in association with the construction of the project. It is anticipated that these fees will be received over a projected three year build-out of the project.

The basis for these conclusions is detailed in the body of this report.

SOCIO-ECONOMIC IMPACT ANALYSIS

The assessment of socio-economic impacts starts with the applicant's proposed dwelling unit count and bedroom distribution count. In this case, the rezoning is designed to enable 60 townhouse units, all of which are proposed as three bedroom units, as well as 190,000 square feet of retail space. This data is used to examine the socio-economic impact of the development, and enables an assessment of the project's impact on the township's demographic makeup, municipal and school budgets, demands for parks and recreation, and retail trade dollars expected to be expended from the project's residents.

A. Demographic Data

This section projects the number of residents and children that are expected to reside on this site, and also refines this latter number to focus on public school attendees. The analysis utilizes data from the Center for Urban Policy Research (CUPR) publication entitled *Who Lives in New Jersey Housing? New Jersey Demographic Multipliers*. This data set, which was published in November 2006 and is the most up-to-date data available, is derived from the U.S. Census and contains demographic data unique to and field-tested in New Jersey. The CUPR data includes multipliers for household size, the total number of children, school-age children and public school attendees.

1. Total Population

The CUPR study's residential multipliers for northern New Jersey are summarized in the accompanying table. As noted, their multipliers applied to the proposed development suggest that a total of 142 people will reside on-site.

TABLE 1
PROJECTED POPULATION - RESIDENTIAL MULTIPLIER

DEVELOPMENT TYPE	TOTAL ESTIMATED PERSONS PER UNIT	NUMBER OF UNITS	TOTAL PROJECTED POPULATION
Single Family Attached- 3 BR	2.364	60	142

* Source: Rutgers CUPR *Who Lives in New Jersey Housing? New Jersey Demographic Multipliers*

The 2010 US Census population data for the Township indicates a current population of 53,539. An updated estimate of the township population from the State of New Jersey, Department of Labor and Workforce Development indicates the township's population increased to 53,709 persons as of July 1, 2012. The projected population residing in the 60 unit townhouse development will increase the township population by 0.26%, or less than one percent, based on the 2012 total population estimate.

2. Children Residing On-Site, Including School Age Children

The CUPR data set includes a number of multipliers for projecting the number of children and, particularly, the number of school-age children who will be attending public schools. The CUPR multipliers predict that the proposed project will generate approximately 20 children, of whom 12 will be of school age, and 10 of those 12 are projected to be enrolled in the public school system (the others would attend private schools). The multipliers for school-age children and public school attendees are shown below. The table also identifies how these multipliers apply to the proposed 60 unit development, and the resulting number of school age children (SAC) and public school children (PSC). The CUPR data suggests the proposed townhouses will generate the equivalent of one public school attendee for every six dwellings.

TABLE 2
PROJECTED SCHOOL-AGE CHILDREN (SAC) AND PUBLIC SCHOOL CHILDREN (PSC)
RCR OVERLAY SCENARIO, TOWNSHIP OF PARSIPPANY-TROY HILLS

DEVELOPMENT TYPE	NUMBER, TYPE OF UNITS	PROJECTED SAC (0.186 multiplier)	PROJECTED PSC (0.165 multiplier)
Single Family Attached- 3 Bedrooms	60	12	10

CUPR Residential Demographic Multipliers – 2006- North Region; calculations by Burgis Associates, Inc,

The students from this development will attend Intervale Elementary School (K- Grade 5), Brooklawn Middle School (Grade 6-8) and ParsIPPany Hills High School (Grade 9-12). The CUPR data suggests that the project would add 5 students to the elementary school, 2 to the middle school and 3 to the high school, based upon the factors presented in the accompanying table.

TABLE 3
ESTIMATED GRADE DISTRIBUTION FOR PUBLIC AGE SCHOOL CHILDREN
RCR SITE
PARSIPPANY-TROY HILLS, NEW JERSEY

GRADE	FACTOR	UNITS	TOTAL
K-5	0.082	60	5
6-8	0.025	60	2
9-12	0.058	60	3
TOTAL PSAC	0.165	60	10

Source: CUPR Study, "Who Lives in New Jersey Housing? The Profile of Occupants of Residential and Non-Residential Development", 2006 (North Region, SF Attached 2-3 BR)

We often cross check the CUPR data with information from local boards of education to determine if the local experience regarding public school attendees residing in townhouse developments is similar to that which is

reflected in the CUPR data. Since this information was not available as of the time this report was being completed, this office reviewed data from numerous townhouse developments throughout northern New Jersey in suburban municipalities, and the data was found to be consistent with the CUPR data set.

3. Non-Residential Employment

The same Rutgers CUPR study also provides statistics to project the number of employees in non-residential development. They examined various sources, such as the Census of Retail Trade and other industry standards to present data to enable projections on the number of employees for various specified non-residential uses. Their data suggests that the various types of retail uses that would likely occupy the space in this development average between 1 and 2 employees per 1,000 square feet of retail use. This would suggest the proposed 190,000 square feet of retail space would generate on average approximately 285 employees.

B. Fiscal Impact Analysis

This section details the estimated impact of the proposed development on municipal and school budgets. This includes data on projected property tax revenue, estimated municipal and school costs, and anticipated demand for various services. Two methodologies have been utilized. First, a per capita methodology has been utilized to determine costs versus revenues on a per capita basis. Following the per capita methodology, a more refined assessment of costs is broken down by budgetary category, in recognition of the fact that the per capita method typically overstates costs. Additionally, the report identifies current tax revenue generated from this site.

1. Per Capita Methodology

a. Current Tax Revenue

The subject site is currently vacant. According to municipal tax records the existing equalized assessed value of the property is \$2 million. This generates annual tax revenue of \$51,500, including \$12,640 for the municipality and \$32,760 is for the local school district. The remainder is devoted to County purposes. The site, in its current undeveloped state, generates \$1,915 per acre in tax revenue.

b. Estimated Market Value

The estimated market value was determined based upon information from the township tax assessor. The proposed 190,000 square feet of retail space was determined to have an equalized assessed value of \$23.6 million. The 60 townhouses were determined to have an equalized assessed value of \$20.5 million. In total, this indicates the project has a total equalized assessed value of \$44.1 million. The assessor utilized an average sales price of \$400,000 for the townhouses and \$15 to \$20 per square foot for the retail space. The township's equalization rate, according to the tax assessor, is 85.61%.

c. Township Tax Rate

The 2012 general property tax rate in Parsippany is \$2.575 per \$100 of assessed value. This includes the rates for municipal purposes, local and county open space, school district, fire district tax (for District #6), the local library, and the county. This is detailed below. As shown nearly two-thirds of the total tax rate is due to school taxes. The municipal rate accounts for less than 25% of the total.

TABLE 4
2012 TAX RATE
PARSIPPANY-TROY HILLS TOWNSHIP

TAX	RATE PER \$100	PERCENT
COUNTY	\$0.286	11.1
COUNTY OPEN SPACE	\$0.019	0.7
MUNICIPAL OPEN SPACE	\$0.017	0.7
LOCAL DISTRICT SCHOOL	\$1.638	63.6
MUNICIPAL	\$0.556	21.6
FIRE DISTRICT 6	\$0.018	0.7
LOCAL MUNICIPAL LIBRARY	\$0.041	1.6
TOTAL	\$2.575	100%

d. Anticipated Tax Revenues

The application of the tax rate to the proposed equalized assessed value reveals the anticipated tax revenue to be generated from the proposed development. As shown in the table below, the total anticipated annual tax revenues to be generated from the proposed development is \$1.137 million.

TABLE 5
ANTICIPATED TAX REVENUES FROM RCR OVERLAY SITE
PARSIPPANY-TROY HILLS, NEW JERSEY

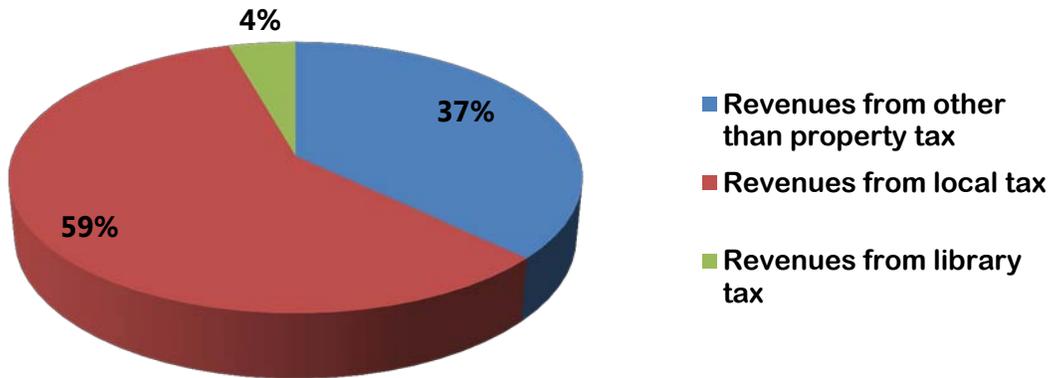
TAX CATEGORY	TAX RATE	TOTAL EQUALIZED VALUE	ESTIMATED ANNUAL TAX REVENUES
MUNICIPALITY	\$0.556	\$44,165,654	\$245,559
LOCAL OPEN SPACE	\$0.017	\$44,165,654	\$7,508
COUNTY	\$0.286	\$44,165,654	\$126,314
COUNTY OPEN SPACE	\$0.019	\$44,165,654	\$8,392
LOCAL SCHOOL	\$1.638	\$44,165,654	\$723,429
LOCAL LIBRARY	\$0.041	\$44,165,654	\$18,108
FIRE DISTRICT 6	\$0.018	\$44,165,654	\$7,949
TOTAL	\$2.575	\$44,165,654	\$1,137,259

Source: Parsippany Township Tax Collector; calculations by Burgis Associates, Inc,

e. Municipal Budget

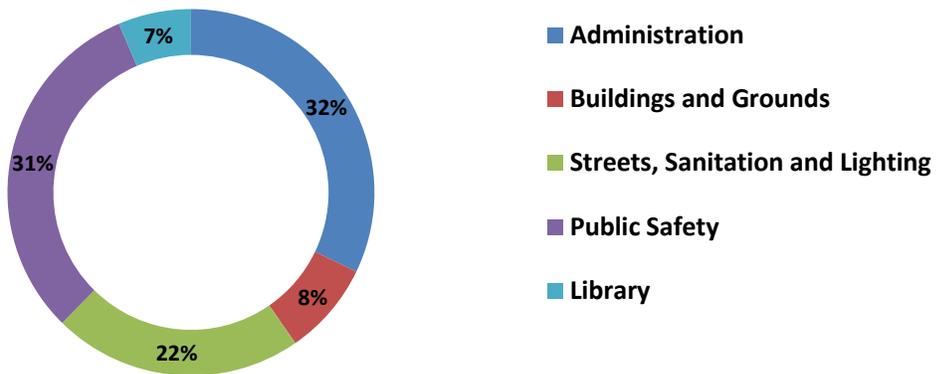
The 2012 municipal budget includes approximately \$68.9 million in total appropriations. Approximately \$40.3 million, or 59%, of this amount is funded through local property tax revenues. The remainder, totaling \$25.9 million, or 41%, regard revenue from other sources such as state aid, grants, etc. This is depicted graphically below.

Parsippany-Troy Hills Budget Revenue Breakdown



Municipal budgetary appropriations consist of funds for administrative functions, maintenance of buildings, grounds, streets and sanitation. In addition, there is a substantial outlay for public safety. As shown below, administration and public safety represent about 63% of municipal operations. Slightly less than one third of municipal operations relate to maintenance of streets, sanitation and lighting along with buildings and grounds.

Township Government Operations



The following table presents the breakdown of all appropriations.

TABLE 6
SUMMARY OF GOVERNMENT OPERATIONS
PARSIPPANY-TROY HILLS, NEW JERSEY

APPROPRIATION CATEGORY	AMOUNT		PERCENT
General Government	\$12,766,002		18.5
Public Safety	\$14,908,720		21.6
Public Works	\$5,651,642		8.2
Utilities and Solid Waste Disposal	\$4,085,150		5.9
Health and Welfare	\$1,178,123		1.7
Parks and Recreation	\$2,331,541		3.4
UCC Appropriations Offset by Dedicated Revenue	\$1,500,000		2.1
Unclassified	\$20,000		.03
Contingent	\$15,000		.02
Deferred Charges/Statutory Expenses	\$4,980,415		7.2
TOTAL GOVERNMENT OPERATIONS WITHIN CAPS	\$47,436,593		68.7
Public/Private Programs Offset by Revenue	\$7,425,329.21		10.8
Capital Improvement Fund	\$386,850		0.56
Debt Service	\$7,420,060		10.7
Deferred Charges/Statutory Expenses excluded from CAPS	\$646,799		0.94
Other operations	\$3,783,922		5.5
Interlocal Agreement	\$93,750		0.14
TOTAL OPERATIONS EXCLUDED FROM CAPS	\$19,756,710.21		28.6
RESERVED FOR UNCOLLECTED TAXES	\$1,800,000		2.7
TOTAL	\$68,993,303.21		100.00%

Source: Township of Parsippany 2012 municipal budget; calculations by Burgis Associates, Inc.

f. Per Capita Expenditures

- 1) Municipal Expenditures: Per capita residential cost of municipal expenditures is estimated at \$593.78. This estimate is based on an analysis of residential and nonresidential parcels and the assessed value of parcels in the township. The percentages of residential and nonresidential value and number of parcels are averaged and applied to the amount of the local budget raised through taxes. Applying the residential percentage to the budget portion raised by taxes, and dividing by the township's population, yields an estimate of per capita cost for services per resident. The same procedure is applied to the nonresidential portion, using the number of jobs in the community, to yield the per capita cost per employee.

Non-residential cost on a per capita expenditure basis is \$185.34. This is based on the most recent New Jersey Department of Labor and Workforce Development information available (3rd Quarter 2012), which indicates there were 45,740 private sector jobs in Parsippany. The per capita resident and employee costs are utilized in the calculation of net revenue from development. The factor average and per capita estimates are shown in the following two tables.

TABLE 7
RESIDENTIAL AND NONRESIDENTIAL VALUATION FACTORS
PARSIPPANY-TROY HILLS TOWNSHIP

USE	NO. PARCELS	% TOTAL	ASSESSED VALUE	% ASSESSED VALUE	FACTOR AVERAGE
RESIDENTIAL	14,705	95%	\$4,478,167,000	62%	79%
NONRESIDENTIAL	701	5%	\$2,771,199,400	38%	21%
TOTAL	15,406	100%	\$7,249,366,400	100%	100%

TABLE 8
PER CAPITA AND EMPLOYEE COSTS
PARSIPPANY-TROY HILLS TOWNSHIP

FACTOR	PER CAPITA RESIDENTIAL COST	PER EMPLOYEE COST
% RATABLE BASE	0.79	0.21
LOCAL BUDGET RAISED BY LOCAL TAXES	\$40,369,401	\$40,369,401
POPULATION/EMPLOYEES	53,709 (pop)	45,740 (emply)
ANTICIPATED COST	\$593.78	\$185.34

- 2) School Costs: Total costs per pupil for education is \$14,476. Approximately 90% of spending per pupil is from property taxes. Applying this factor to the cost per pupil yields a cost of \$13,028 per student that is raised through local property taxes. This figure is based on the State Department of Education figures for the township's school district as of July 2012. A budgetary cost per pupil was utilized ($\$14,476 \times .90$), that does not include debt service, payments to other districts, etc, to arrive at a reasonable estimate which does not overstate direct costs associated with projected public school attendees.

g. Anticipated Municipal Costs

Utilizing the per capita costs and the demographic multipliers referenced above, the analysis suggests the proposed development would generate municipal costs of \$137,100. This is summarized in the accompanying table.

TABLE 9
ESTIMATED MUNICIPAL COSTS
RCR OVERLAY SITE
PARSIPPANY-TROY HILLS, NEW JERSEY

	NUMBER OF RESIDENTS OR EMPLOYEES	PER CAPITA COST	ESTIMATED COST
RESIDENTIAL	142	\$593.78	\$84,316.76
NONRESIDENTIAL	285	\$185.34	\$52,821.90
TOTAL			\$137,138.66

h. Anticipated School Costs

The school data noted above would generate projected costs of \$130,300 based upon the imposition of the per capita methodology.

i. Fire/EMS Costs

It is also estimated that the per capita methodology would generate \$2,450 in costs for Fire/EMS services, based upon a per capita cost of \$17.26 per resident.

j. Cost Revenue Summary

The imposition of the per capita methodology suggests the prospective 60 townhouse unit and, 190,000 square foot retail development would generate a net revenue surplus for both the municipality and local school system, of \$142,000 and \$593,100 respectively. The municipal estimate includes municipal, local open space, library and fire district data for ease of reporting. Combined, there is an annual net revenue surplus of \$735,100. The cost/revenue data is summarized in the accompanying table.

TABLE 10
SUMMARY OF ANTICIPATED COSTS AND REVENUES, BASED ON PER CAPITA METHODOLOGY
RCR OVERLAY SITE
PARSIPPANY-TROY HILLS, NEW JERSEY

CATEGORY	REVENUE	COST	NET
MUNICIPAL*	\$279,124	\$137,138	\$141,986
SCHOOL	\$723,429	\$130,280	\$593,149
TOTAL	\$1,002,553	\$267,418	\$735,135

*Municipal includes municipal, local open space, library and fire district.

The accompanying table provides a more detailed breakdown of the costs and revenues that is summarized in the above table.

TABLE 11
DETAILED SUMMARY OF ANTICIPATED COSTS AND REVENUE, BASED ON PER CAPITA METHODOLOGY
RCR OVERLAY SITE
PARSIPPANY-TROY HILLS, NEW JERSEY

PURPOSE	GROSS REVENUE	GROSS COST	NET
MUNICIPAL	\$245,559*	\$137,138	\$108,421
FIRE/EMS	\$7,949	\$2,451	\$5,498
LOCAL SCHOOL	\$723,429	\$130,280	\$593,149
TOTAL	\$976,937	\$269,869	\$707,068

*Municipal gross revenue excludes local open space, and library tax revenue.

2. Impact Evaluation Based On Individual Budget Categories (Alternative Impact Methodology)

It is recognized that there are faults with the per capita methodology presented above, as each portion of a budget is not necessarily affected by population increases in the direct manner suggested by this method. Certain expenses may be more or less directly affected by population increases than others, and to varying degrees. This section takes a more in-depth look at individual line items in order to refine the impacts of the additional growth attributable to the 60 unit, 190,000 square feet of retail space contemplated for the subject site. This section also looks at other factors that are not related to local budgetary considerations, such as consumer retail expenditures by new residents, and their implications for the local economy.

a. Municipal Impact Analysis

As detailed above, the municipal budget is comprised of a number of different categories – some of which are not likely to be as directly affected by population increases as others. An analysis of the impact of the proposed development focusing on impacts on individual municipal services reveals the following:

i. General Government

This category includes general administrative and executive functions of the municipal government. Activities include general and financial administration, assessment and collection of taxes, as well as legal services and engineering costs. All general government operations expenses, both included and excluded from CAPS, are counted in this section. We also included health and welfare services here for expediency. In total, approximately 35 percent of the municipal budget is allocated to these categories. This represents a total budget item of approximately \$16 million. Utilizing the per capita multiplier methodology, it is projected that the site will result in an annual net revenue surplus of \$50,224 for the general government line item, based on annual revenues of \$98,223 and annual costs of \$48,000.

The general government line item, however, is not necessarily uniformly affected by changes in resident population and non-residential development, which indicates that imposing a per capita cost analysis on this line item, should be done with caution. Actual costs may likely be less than that suggested by the per capita methodology. Various sources suggest that costs may be reduced by anywhere from 25 to 50 percent for the purpose of determining actual costs. Utilizing the midpoint of this range would suggest that the imposition of the adjustment factor would result in actual costs of approximately \$18,000, thereby increasing net revenue surplus to minimally \$80,223.

ii. Public Safety

This category, representing approximately 32 percent of the total budget, encompasses police and other public safety services (fire and EMS services are discussed separately below). The per capita methodology anticipates a net annual gain to the public safety line item of \$42,062. This is based on estimated annual revenues of \$85,946 and costs of \$43,884.

The police department is down from a previous high of slightly more than 100 sworn officers to a current count of 92 officers. This represents a ratio of 1.71 officers per 1,000 residents, which contrasts with Morris County's average of 2.0 officers per 1,000 residents. With an anticipated 142 additional residents to be generated by this project, along with the retail development, the data suggests this project alone does not suggest the need for additional police officers. However, the police force is presently less than the County and Statewide averages suggest is optimum.

iii. Public Works

The Department of Public Works includes budgetary items for building and grounds maintenance, street repairs, sanitation and streetlights. The Public Works Department budget represents nearly 24 percent of the Township's total budget. The per capita methodology anticipates that the proposed residential and retail development will generate annual revenues of \$68,897 and annual costs of \$32,913, for a net revenue surplus of \$35,984 annually.

This line item is not necessarily uniformly affected by changes in resident population and non-residential development, which indicates that, like the general government line item, imposing a per capita cost analysis on this line item should be done with caution. Actual costs are likely to be less than that suggested by the per capita methodology. Experience suggests that annual costs are likely to be a third the amount predicted by the per capita methodology. This would suggest a net revenue surplus approaching \$46,000 annually.

iv. Fire, Ambulance and First Aid

Parsippany is divided into six Fire Districts (1 thru 6). The subject site is located in Fire District 6. The per capita methodology suggests the prospective development of this site will generate annual net revenue surpluses to the fire department of \$ 5,498, based on anticipated annual revenues of \$7,949 and anticipated annual costs of \$2,451. Anticipated revenues are based on the current levels of taxation for the department, which is \$0.018 per \$100 of assessed value.

The District 6 Fire Chief has indicated that the volunteer membership is "adequate" during the day to accommodate any calls that may arise from the subject site; after 6pm coverage is "good". The department is also currently planning for a new truck with a smaller wheel base to facilitate response to calls. The conclusion offered was that the site, as well as the entire district, can be adequately served.

b. School Impact Analysis

As noted above, it is anticipated that ten public school attendees will reside on-site, and they would attend Intervale Elementary School (K-5), Brooklawn Middle School (6-8) and Parsippany Hills High School (9-12). The distribution of these students through the school system is projected to include 5 in the elementary school, 2 in the middle school, and 3 at the high school. These ten students would represent less than a one percent increase in the system's enrollment of 7,596 students.

As noted above, the per capita analysis suggests the development would cost the school district approximately \$130,300 per year in contrast to annual revenues of approximately \$723,400, suggesting an annual net revenue surplus of approximately \$593,100. In fact, due to the small number of projected public

school attendees, this figure is likely to be higher, since the distribution of these students through the school system is unlikely to generate the need for more teachers or other costly items. A more reasonable cost of \$2,500 per pupil represents a cost that is more appropriate here, suggesting total costs of \$25,000 versus revenues of \$723,400, or annual net revenue surplus \$698,400.

c. Summary of Municipal and School Cost/Revenue Analysis

The following sets forth a summary of the cost/revenue analysis for the municipality and local system.

TABLE 12
ANNUAL NET COST/REVENUE ANALYSIS
RCR OVERLAY AREA
PARSIPPANY-TROY HILLS, NEW JERSEY

CATEGORY	REVENUE	PER CAPITA METHODOLOGY		ALTERNATIVE METHODOLOGY	
		COST	NET SURPLUS	COST	NET SURPLUS
MUNICIPAL*	\$279,100	\$137,100	\$142,000	\$96,300	\$182,800
SCHOOL	\$723,400	\$130,300	\$593,100	\$25,000	\$698,400
TOTAL	\$1,002,500	\$267,400	\$735,100	\$121,300	\$881,200

*Municipal includes municipal, local open space, library and fire district.

d. Retail Trade Expenditures by Residents of the Development

Another aspect of any residential development that should be taken into account regards the projection of anticipated consumer retail expenditures by new residents. The available data from the Bureau of Labor Statistics indicates that in northern New Jersey the average household expends \$24,665 on retail trade expenditures. This indicates that the 60 dwelling units anticipated to be developed on the selected study sites would expend approximately \$1.47 million annually on local goods and services. While we cannot project with certainty how much of this revenue will be expended locally, it is likely that a significant portion of this total will provide a boost to the local economy.

CONCLUSION

The planning analysis set forth herein indicates that, irrespective of the methodology used, the proposed development would result in a net revenue surplus for the municipality and the local school system. The basis for this conclusion is set forth in the body of this report.